

Indiana House of Representatives

News and Information

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TAX BREAKS FOR TAX DELINQUENTS? PELATH SAYS NO

INDIANAPOLIS – Legislation approved today by the Indiana House does nothing more than give a break to corporations that haven't paid their taxes, according to State Rep. Scott Pelath (D-Michigan City).

Despite opposition from Pelath and others, representatives passed House Bill 1004, which calls for the Indiana Department of Revenue to set up a program to give amnesty and reward those who have failed to pay taxes. The measure, pushed forward by the incoming administration, protects those who have actually cheated on their taxes from prosecution.

"I am disappointed that our new governor has asked the House majority to move quickly on legislation that is so much at odds with the values he spoke about in his inaugural address earlier this week," Pelath said.

"While many speak of the virtues of hard work and honesty, they endorse programs that tell corporations it's OK not to pay your taxes, because the state will look the other way eventually and you'll get off without paying the price," he continued.

Pelath noted that past failure to pay taxes succeeded in increasing the tax liability for the overwhelming majority of hardworking Hoosiers who sacrifice to pay their obligations every year.

"What does this program say to them?" Pelath said. "Millions of Indiana taxpayers – individuals, families and businesses – have recognized their obligations to fund our schools, public safety and health care and paid their taxes every year. In fact, many have paid more than their share to make up for the tax burdens ignored by others.

"In effect, those people are being told that they were foolish for being so responsible," he added. "Rather than taking the steps necessary to bring tax cheats to justice, this administration is apparently eager to look the other way in the hope that these people will suddenly become honest."

Instead of giving tax delinquents a break, Pelath said the new administration and the majorities in the House and Senate should spend more time closing numerous corporate tax loopholes in the state tax code that enable them to escape paying taxes.

"That is the next step in tax relief for working families in the state of Indiana, not bending over backwards to tell people it's alright to cheat," Pelath concluded. "I can only hope the state Senate will not be bullied into passing this bad idea into law."